



King County

Task Force on Regional Human Services

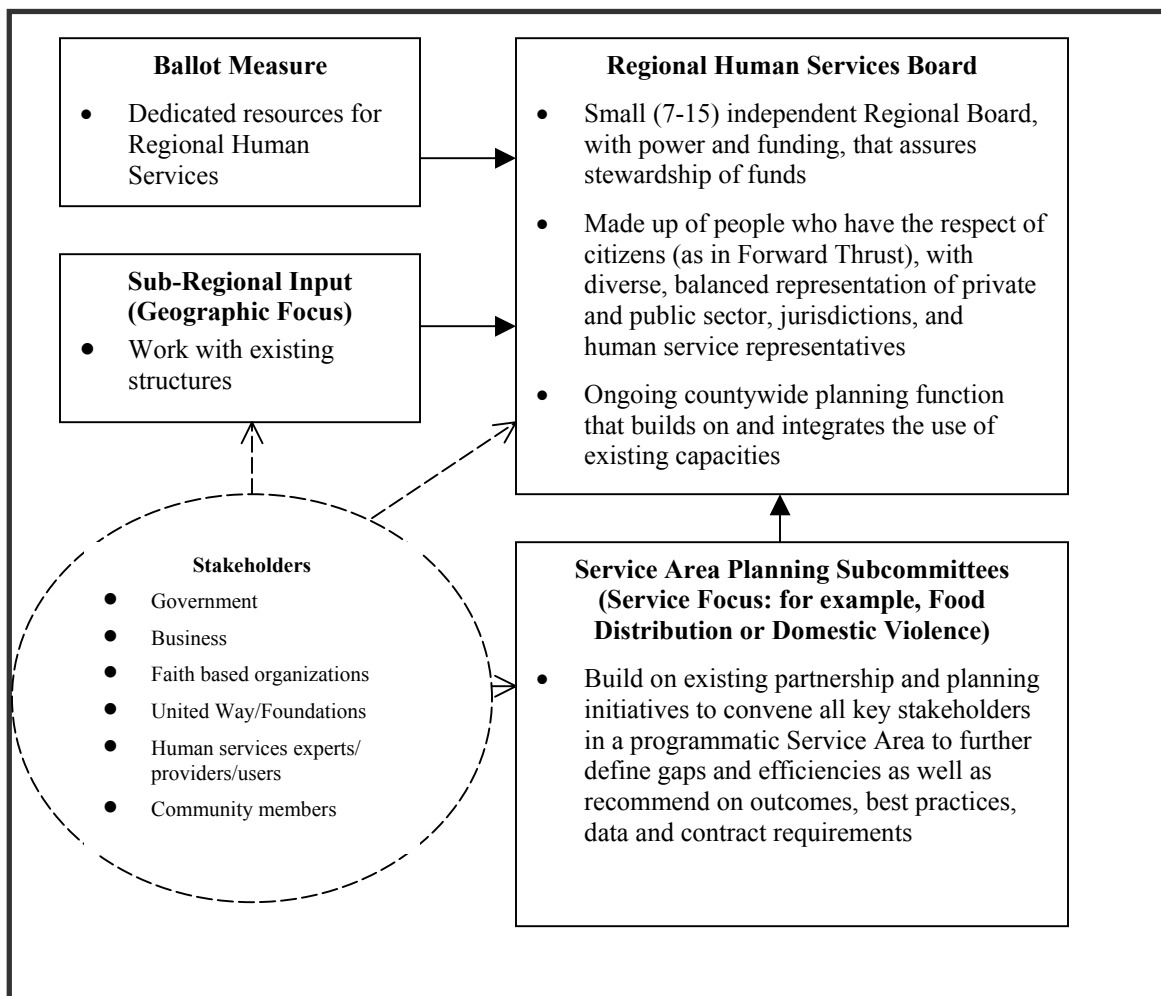
Administrative Options

8-23-04

Preface

The original staff draft of this discussion paper was prepared for the retreat sponsored by the Task Force on May 13, 2004. Since the retreat, the Task Force has developed its recommendations, including a recommendation regarding creation of a Regional Human Services Board (please see the Task Force report for a more complete description).

Figure 1



The Task Force is recommending a Regional Human Services Board that will be independent in its decision process. In light of that recommendation, as well as the recommendation regarding regional funding sources that would require action by the King County Executive and King County Council, Task Force staff reviewed some of the administrative options with the King County Prosecuting Attorney's Office and updated the paper, which includes the following new information:

- **Taxing Districts:** Library, Fire, Water, and Hospital Districts are not part of King County government. Rather, each taxing district, including the King County Library District, has been authorized by the state legislature to levy property taxes. Accordingly, state legislation would be necessary to create a district for regional human services. Also, these districts have independently elected commissioners—a governance model that doesn't fit with the diverse, representative Regional Human Services Board envisioned.
- **King County Housing Authority (KCHA):** The KCHA is a municipal corporation, independent of King County. Although the King County Executive nominates and the King County Council confirms the appointments to the Board of Directors, the KCHA receives and manages federal housing funds independent from the County's budget process.
- **Public Development Authority (PDA):** There is a fuller discussion of PDAs later in this paper. Specifically in regard to King County, the Council established the Cultural Development Authority as a PDA, granting already designated hotel/motel tax revenues until the point these taxes sunset. If a Regional Human Service PDA is created, the implementing King County ordinance would describe the PDA's authority and structure. If the implementing ordinance called for elected officials to automatically become PDA Board members, the Council would need to consider the one-person, one-vote requirements found in Cunningham v. Municipality of Metropolitan Seattle, 751 F.Supp. 885 (1990).

Background

One of the underlying requirements for *Regional Services to be Provided through a Countywide Partnership* is the necessity for multiple jurisdictions, public and private partners to work together to achieve shared goals. Some degree of “system-ness” will be needed to operate efficiently and assure that funds are used for services that have been shown to be most effective. There will be continued development of knowledge about how best to achieve outcomes. The region needs administrative and service delivery structures that can keep pace with and respond to these changes in knowledge.

There is research about successful and not-so-successful partnerships that can be incorporated into the design of future system relationships. A federally sponsored report on strategies for reducing chronic street homelessness describes three levels of contact for working together—communication, coordination, and collaboration. “These levels are hierarchical—agencies cannot coordinate without communicating, and cannot collaborate unless they both communicate and coordinate. The hierarchy reflects the extent to which

agencies pay attention to other agencies, perhaps change their own ways, and make a joint effort to reach shared goals.”ⁱ

The Wilder Foundation has studied the literature and identified 20 factors that have been shown time after time to make or break a group effort. These factors fall into six general categories: general environment, membership, structure and process, communication, purpose and resources.ⁱⁱ Based on review of the literature, they have defined levels of contact as cooperation, coordination and collaboration:

- **Cooperation** is characterized by informal relationships that exist without any commonly defined mission, structure or planning effort. Information is shared as needed, and authority is retained by each organization so there is virtually no risk. Resources are separate as are rewards.
- **Coordination** is characterized by more formal relationships and understanding of compatible missions. Some planning and division of roles are required and communication channels are established. Authority still rests with the individual organizations, but there is increased risk to all participants. Resources are available to participants and rewards are mutually acknowledged.
- **Collaboration** is defined as a mutually beneficial and well-defined relationship entered into by two or more organizations to achieve common goals. The relationship includes a commitment to: mutual relationships and goals; a jointly developed structure and shared responsibility; mutual authority and accountability for success; and sharing of resources and rewards.ⁱⁱⁱ

Given that *Regional Services to be Provided through a Countywide Partnership* requires new or newly defined administrative structures and mechanisms to achieve “system-ness”, the administrative structures discussed below could be used in combination with one of the Wilder levels of contact in twelve possible configurations.

	Cooperation	Coordination	Collaboration
Non Profit Lead Agency	X	X	X
Government Lead Agency	X	X	X
United Way Lead Agency	X	X	X
Public Development Authority	X	X	X

The Task Force was charged with making recommendations to stabilize, maintain and improve the *Regional Services to be Provided through a Countywide Partnership*. These configurations are a framework of options for the future. As the level of investment grows, there is a corollary need for sufficient “system-ness” to manage that investment.

Assumptions

While the Task Force worked with the foundation of the RPC Task 2 Report in defining the Service Areas under consideration, future administrative configurations should be approached as if starting with a blank slate. Assumptions include:

- At a minimum, *Regional Services to be Provided through a Countywide Partnership* will require **cooperation** among all the parties. The system is intended to operate as a partnership with other human services funders and the regional planning structures that have been developed. Support for regionally organized human services is a shared responsibility among state and local governments—including the cities of King County—and the private sector.
- The human services delivery structure is very complex. Each Service Area might best be managed by a different administrative configuration. Creating regional perspective, accountability and planning for each Service Area must take current achievements into consideration, but also explore new ideas. Current administrative and service delivery structures need not be the future administrative and delivery structures.
- There are many entities in King County that have come together around a geographic, population or service focus to work on improving the way in which the community responds to the needs of citizens. As demonstrated through the Basic Service Level overviews, there are differences between the North, East, South and Seattle communities in both needs and resources. Administrative configurations will need to find a way to incorporate these entities so they are not duplicative and layered, but integral to the process.
- The focus should be on defining what is needed to best meet the basic needs of the citizens of King County, not on funding specific organizations.
- Planning for expenditure of funds in the future should proceed by using outcome indicators and research to focus on how the funds will be expended in order to “move the indicators”. This will require agreement among the parties on the key indicators, new levels of information from providers, and the administrative ability to manage and use the information effectively.

Administrative Structures

Non-Profit Lead Agency

Description

A non-profit agency could be identified to be the focal point for system development and oversight, from a planning role up to operating as a fiscal agent to manage all of the

system's resources. The agency may or may not be associated with the direct delivery of services. Historically, this model was used locally in early War on Poverty and Substance Abuse programs. More recently, the closest example would be the creation of Child Care Resources as the "lead" for child care issues in King County. The Health and Safety Networks might be seen as another example. These latter examples, however, have not included operating as fiscal agent or setting policy for a system. Child Care Resources administered funds to increase the quality of child care, availability and access, but was not created to serve as a regional administrator or policy maker.

Governance and Accountability

The non-profit Board of Directors is the accountable body, pursuant to their corporate articles of incorporation and by-laws. Most boards are self-perpetuating, electing their own members. The Health and Safety Networks have a mechanism for local government appointment to their boards that has, over time, atrophied and doesn't operate as a connection back to the appointing government. In the early War on Poverty and Substance Abuse models, and more recently with Child Care Resources, there are external financing entities providing oversight through contracts, reporting requirements and site reviews.

Financing Capacity

Program financing comes from external funders. However, the ability to generate additional funding through grants and direct fundraising support can leverage funding from government and United Way. Foundations, businesses, and individuals are more likely to donate funding to a not-for-profit 501(c) 3 than to a governmental entity.

Pros

- The Board and community based status can keep the system oversight "closer to the ground", with more community ownership and involvement.
- There is independent voluntary grant and fund raising capacity.

Cons

- Accountability to funders requires another layer of oversight and contracting.
- If also engaged in the delivery of services, it would be necessary to sort the roles of system manager from service provider.

Government Lead Agency

Description

A lead agency could be selected from among major funding partners to be the focal point for system development and oversight, from a planning role up to operating as a fiscal agent to manage all of the system's resources. An Interlocal Agreement/Memorandum of Understanding or other documents define the relationships and processes to be used to plan for and manage the service area.

A variation of this model has been the Area Agency on Aging, which is managed by the City of Seattle on behalf of a partnership with King County and United Way. This is principally a mechanism to manage external funding. An Interlocal Agreement is

required so that some local governments will assign their powers to another government per RCWs. Selection of an agency to receive funds and administer them was required in each county. Regulations established by state or federal law circumscribe the planning, allocation and administrative powers. There is regional policy setting but this has always been seen as Seattle-centered in spite of the regional mandate. The city has voluntarily added some of its funds for Area Agency Administration but neither the County, United Way nor any of the other cities have done so.

Suburban cities are working with another variation of this model, selecting one city to contract with providers for a particular service on behalf of several cities. A Regional Coalition for Housing (ARCH) on the Eastside is probably the most fully developed governmental example. The ARCH Housing Trust Fund is the primary means by which ARCH members assist in creating and preserving housing opportunities for low- and moderate-income households. The Housing Trust Fund awards loans and grants to Eastside developments that include below-market rate housing.^{iv} ARCH was selected as the 2004 inaugural winner of the national *Fannie Mae Foundation Innovations in American Government Award in Affordable Housing*.

Sound Families is a public-private example that brings together the resources of the Bill & Melinda Gates Foundation, the expertise of local governments and housing authorities in financing and managing housing, the non-profit community, and public and private lending institutions. The Steering Committee is comprised of executive level staff from the seven public jurisdiction partners in the project, public housing authorities, representatives of private and public lending institutions and not for profit organizations. The City of Seattle Office of Housing serves as the administrative partner of the program. This office supervises the day-to-day operations of the program, coordinates the application review process and provides staff support for the governing process.^v

Governance and Accountability

There is a range in the degree to which the lead entity is governed overall by the structure of its parent organization. For example, the Area Agency on Aging is within the City of Seattle Department of Human Services, reporting through the Department Director to the Mayor and City Council. The partners meet as an oversight body to direct broad policy for the system. In contrast, although ARCH staff is housed by Bellevue, the ARCH Executive Board supervises the Citizen Advisory Board and ARCH staff in the day-to-day administration of the work program and budget, and forwards housing trust fund recommendations to members for approval.

Financing Capacity

The Area Agency model has worked with pass-through state and federal funds. The partners have separately managed their local aging services resources, obtained through the financing capacity of their parent organizations. The suburban city contracting lead agency model will be supported by a transfer of funds to the lead agency, again obtained through the financing capacity of their parent organizations. There is no independent financing capacity, but agreement among the parties could funnel earmarked revenues to a lead agency, which is the ARCH model—the Housing Trust Fund awards loans and

grants to Eastside developments that include below-market rate housing. Between 1993 and 2002, ARCH member jurisdictions committed over \$17+ million to this fund, including Community Development Block Grant (CDBG) and General Funds. Also included in this amount is over \$2 million in contributions of land, fee-waivers and other in-kind donations.

Pros

- It uses the existing infrastructure and management capacity of current governmental staff.
- This model could be deployed in different agencies for different Service Areas.

Cons

- It can be difficult to manage the balance between the governance and accountability requirements of the lead agency's parent organization with the oversight of the MOU partners.
- Unless carefully managed, the program may be seen in the community and by providers as a program of the lead agency, especially if some services are also delivered directly by the lead agency.
- If also engaged in the delivery of services, it would be necessary to sort the roles of system manager from service provider.

United Way Lead Agency

Description

United Way could be selected from among major funding partners to be the focal point for system development and oversight, from a planning role up to operating as a fiscal agent to manage all of the system's resources. A Memorandum of Understanding or other founding documents define the relationships and processes to be used to plan for and manage the service area. United Way currently contracts with many of the same providers that have contracts with King County and the cities and could fulfill this role as a system planner and manager. The recent merger of the United Way Children's Initiative with Seattle's Project Lift-Off is an example. The newly integrated initiative has been named SOAR.

Governance and Accountability

The managing entity is governed overall by the structure of its parent organization, in this case the United Way Board and Committee/Council structure. If United Way were to house an entity structured along the ARCH model, the partnership oversight for system policy direction would need to be defined and would probably require some adjustments in the current structure and a comfort level with the government partner role.

Financing Capacity

United Way had substantial fund raising capacity in place and strong relationships to the private sector and philanthropists. It also has the capacity to seek and manage grant funding.

Pros

- Regional planning structures are already in place to complement and coordinate with local efforts.
- Strong relationships with private sector funders would facilitate public/private partnerships.

Cons

- United Way historically has funded agencies rather than programs—acting as a system manager with fiscal agent and programmatic oversight of agencies that are not part of community safety net agencies might require adjustments in operations.
- It can be difficult to manage the balance between the governance and accountability requirements of the lead agency’s parent organization with the oversight of the MOU partners.
- Unless carefully managed, the program may be seen in the community and by providers as a program of the lead agency, especially if some services are also delivered directly by the lead agency.

Public Development Authority

Description

A PDA could be established by a city or county to perform public functions that the creating city or county could perform itself (see RCW 335.21.730). PDAs are often created to manage the development and operation of a single project, determined to be best managed outside of traditional bureaucracy and lines of authority. A PDA may administer and execute federal grants and programs, receive and administer private funds, goods or services for any lawful purpose, and perform any lawful public purpose or public function. A recent project example is the Village Square project in the Chinatown-International District; the project that includes family and senior housing, recreation center, library branch, and health and human services agencies.^{vi}

Governance and Accountability

A PDA is created through a city or county passing an ordinance or resolution approving the PDA’s charter. The charter establishes the governing body composition, size and nomination process. The charter sets the term of the PDA, which may be indefinite. The charter may specify the level of autonomy, accountability and control of both the creating jurisdiction and of the PDA. Generally, the creation, management and facilitation of the project is under the control of the PDA governing board. The PDA is subject to general laws regulating governments, including audit requirements, open public record and meeting requirements, competitive bidding, and the constitutional constraint prohibiting the lending of public credit to private entities.^{vii}

Financing Capacity

PDAs do not have the authority to levy taxes, but may borrow funds or issue tax-exempt bonds. Financing is often backed by a city or county contingent loan agreement. Operating funds or property may be transferred to a PDA by the creating city or county.^{viii}

Pros

- There is a relatively low level of control that the creating city or county has over the PDA or project.
- Governance can include private sector representatives.
- It reduces liability and financial risk for the creating city or county.

Cons

- There is a relatively low level of control that the creating city or county has over the PDA or project.
- There are few examples of PDAs to manage ongoing services rather than capital projects; even fewer are related to health and human services.

Applicability of Administrative Configurations to Service Areas

The criteria for potential applicability to the Service Areas might include:

- Level of future investment
- Legally mandated role
- Current joint planning efforts
- Ability and history to access state and federal funds for regional services
- Ability to leverage other resources
- Ability to fund and coordinate the system so as to have the least disruptive effect on providers and service delivery

Some questions that might be used to evaluate administrative configurations include:

- Is the intent to have one agency administer regional service funds and implement a plan that includes input from system partners and provides for regular updates?
- Is the intent to create a governing body of elected officials representing jurisdictions that would receive the funds directly, and make that body responsible for allocation of funds and oversight, with administration delegated to one jurisdiction?
- Is the intent to add additional services to fill in gaps in an existing regional system and does that service expansion require new ways of managing the system?
- Is the intent to maintain existing administrative arrangements but superimpose a regional planning process?
- Is the intent to improve the inclusiveness of planning, outreach and policy making when an agency (for example, King County Superior Court in the Juvenile Justice Master Operating Plan) has a mandated regional role?

Administrative Mechanisms

Under any of the administrative configurations, there are opportunities to streamline administrative and oversight processes in order to reduce the burden on provider organizations and direct the maximum amount of funding to services. Effective planning for the future will require data regarding the system's capacity, costs, and achievement of outcomes. One of the attributes of "system-ness" is being able to compile and report on the work of all components of the service delivery and administration. Future work on regional services should include development of information and measurement approaches that enable administrative and service delivery leadership to assure movement towards shared goals.

Standard Application and Contract Processes

Current examples include:

- In 2003, Auburn, Burien, Des Moines, Federal Way, Kent Renton, SeaTac and Tukwila entered into a pilot project for the joint application and funding of four agencies: Community Health Centers of King County, Crisis Clinic, King County Coalition Against Domestic Violence, and King County Sexual Assault Resource Center.^{ix}
- North/Eastside Human Services Funders Group: a joint bidders workshop and common application and reporting forms (9 cities in North and East Regions); pooled funding pilot project with three services contracts, Bellevue as lead (7 cities).^x

Standard Data, Integrated Information and Consistent Measurement

Current examples include:

- Communities Count, a compilation of social and health indicators, provides a biennial report on the health and well-being of people and communities in King County. The project is committed to improving community conditions through information advocacy. It is a collaborative initiative of Public Health-Seattle & King County, City of Bellevue, City of Seattle, King County, the King County Children and Families Commission, and United Way.
- The King County Regional Support Network (RSN), part of KCDCHS, has well developed information technology that gathers data from all of the providers in the mental health system regarding who is being served and how much and what type of service is being delivered. This information technology was mentioned in the 2002 HUD study of seven communities' efforts regarding the chronic street homeless population as an example of how information technology could be used to coordinate care as well as provide overall information on system performance. The RSN has

published a report card on system performance for a number of years—their website has copies back to 1999.

- The Safe Harbors Homeless Management Information System (HMIS) is being established to collect data on homeless people across programs in King County. It is a joint initiative of the City of Seattle, King County, and United Way. The desired benefits of the HMIS include improved coordination of care and services for clients, improved information about system needs for policy and funding decisions, automated reporting and improved data for service providers, improved partnerships among the components of the system, and better information for the general community regarding homelessness and housing issues.^{xi}
- The Outcomes Alignment Group has been working since the Fall of 2001. The four local human services funders (City of Bellevue, City of Seattle, King County, and United Way) have aligned their demographic data requirements and are working on alignment of outcome measurement.

ⁱ Strategies for Reducing Chronic Street Homelessness, US Department of Housing and Urban Development. Prepared by Walter R. McDonald & Associates and The Urban Institute. January 2004.

ⁱⁱ Mattessich, P. Can This Collaboration be Saved? Twenty Factors that Can Make or Break any Group Effort. NHI Shelterforce Online. May/June 2003. An online version of the Wilder Collaboration Questionnaire can be found at www.wilder.org/research.

ⁱⁱⁱ Collaboration: What Makes it Work. Wilder Foundation. 1992.

^{iv} *A Regional Coalition for Housing*. www.archhousing.org

^v *Sound Families*. www.soundfamilies.org

^{vi} Reich, J, Crawshaw-Lewis, S, Gregory, D. Public Development Authorities. Preston/Gates/Ellis.

^{vii} Reich, J, Crawshaw-Lewis, S, Gregory, D. Public Development Authorities. Preston/Gates/Ellis.

^{viii} Reich, J, Crawshaw-Lewis, S, Gregory, D. Public Development Authorities. Preston/Gates/Ellis.

^{ix} Building Health and Human Services in South King County: A Business Plan for Our Community 2003-2005. South King County Human Services Forum. Presentation, February 2004.

^x Human Services Needs Update, 2003-2004. City of Bellevue, Parks and Community Services Department

^{xi} Safe Harbors. www.safeharbors.org.